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C O N F I D E N T I A L TAIPEI 002682

SIPDIS

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TAGS: [ETTC](#) [PARM](#) [PINR](#) [PREL](#) [PTER](#) [TW](#)

SUBJECT: TAIWAN WANTS TO DO EXPORT CONTROLS RIGHT

REF: A. TAIPEI 2509

[B](#). TAIPEI 2475

[C](#). TAIPEI 543

[D](#). TAIPEI 1706

Classified By: AIT DIRECTOR DOUGLAS H. PAAL, REASON 1.5 (B), (D)

[1](#)1. (C) AIT/T believes that Taiwan wishes to move forward in implementing an effective export control regime, largely due to sustained US interest in this topic. On April 7, when AIT/T Deputy Director demarched the Ministers of Foreign and Economic Affairs regarding export controls, both Ministers assured us of Taiwan's commitment to enhancing export controls. Minister of Foreign Affairs Mark Chen said he was departing from the meeting for the airport to fly with President Chen Shui-bian to the Vatican for the funeral of Pope John Paul II and would personally brief the President on US concerns about export controls (ref D). More recently, we have had a series of meetings with National Security Council (NSC), Ministry of Foreign Affairs (MOFA), and Board of Foreign Trade (BOFT) officials that all point to Taiwan's willingness to strengthen its export control program. NSC Deputy Director General Wang Hsi-tien told us (ref A), and asked TECRO/W to formally advise Washington Agencies, that he would prefer to have a US experts group visit Taiwan before he leads a high-level Taiwan delegation to the US. MOFA North American Affairs Director General Victor Chin told AIT/T Deputy Director that MOFA and NSC have consulted on the sequencing of the visits and that Taiwan's NSC and MOFA agree with Wang's proposal.

[1](#)2. (C) This sequencing makes sense to us. When the US North Korea Working Group delegation headed by David Asher visited in February 2005 (ref C), the US agreed to send an experts group to help Taiwan put together an effective export control regime. The NSC and the Board of Foreign Trade has regularly reminded us of this commitment, carefully couching the quiet reminders as requests for assistance to help develop Taiwan,s export control system and to promote information sharing on processing permits for trade in sensitive technologies. A recent example is AIT/T Econ Chief's June 20 call on BOFT Chief Secretary Peter Ho to discuss disposal of Phosphorus pentasulfide (P2S5), reported via septel. Ho took this opportunity to quietly ask if the US had any comments on the Taiwan draft export control program (ref B). Ho said that he is anxious to brief Taiwan's machine tool industry on the plan in an effort to gain industry buy-in. Clearly, he wants to have US input before sharing it with his industry.

[1](#)3. (C) Absent consultations with the US experts group, BOFT drafted Taiwan,s export control regime (ref B), in part to demonstrate Taiwan,s commitment to following through on export controls. Unfortunately, the plan has at least one major omission. It only deals with exports to North Korea. The plan does not seem to address the possibility of transshipping goods through third countries to North Korea or shipments to other destinations of concern. We believe that Taiwan is prepared to address this omission and others. Both NSC's Wang and BOFT Deputy Director General James Wu have told us that Taiwan is willing to require export permits for machine tool exports to destinations besides North Korea. We believe the occasion provided by a visit from a US exports group would be another opportunity to directly address this issue with relevant Taiwan authorities and to build Taiwan,s capacity to build an effective export control system.

[1](#)4. Comment: (C) The timing of the experts visit is, of course, dependent on resources available in Washington. While Taiwan would welcome the experts visit in July, a commitment and a date in the future for such a visit would advance our export-control agenda. We believe it would also be helpful to maintain the schedule for the second round of EXBS training. We see no utility to holding off on the planned EXBS training pending a decision or scheduling of the experts visit. It seems to us that Taiwan is eager to have US input in the improvement of Taiwan,s enhanced export control plan, and this would be beneficial. We could point out the need to provide for coverage of more destinations than just North Korea. Undoubtedly, there are other areas in which expert input could enhance the final product. Our sense remains that Taiwan is willing to do what we ask, but

that it really needs substantial guidance on exactly what we want and how Taiwan can do it.
PAAL